

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA		
In re:	CASE NO.:	
Debtor(s).		

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date:	Time:
Location:	

Type of Sale: ☐ Public ☐ Private Last date to file objections: _____

Description of Property to be Sold: _____

Terms and Conditions of Sale: _____

Proposed Sale Price: _____

Overbid Procedure (If Any): _____

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Date: _____

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Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

In re	)	Case No. 6:12-bk-14062-MJ
)	
FRANCISCO VALENCIANO	)	Chapter 7
SALAZAR and GABRIELLA)	
VALENCIANO GUTIERREZ,	)	CHAPTER 7 TRUSTEE’S MOTION FOR
	)	ORDER:
Debtors.)	
	)	(1) APPROVING THE SALE OF REAL
	)	PROPERTY OF THE ESTATE FREE
	)	AND CLEAR OF LIENS PURSUANT
	)	TO BANKRUPTCY CODE §§ 363(b)(1)
	)	AND (f), SUBJECT TO OVERBIDS,
	)	COMBINED WITH NOTICE OF
	)	BIDDING PROCEDURES AND
	)	REQUEST FOR APPROVAL OF THE
	)	BIDDING PROCEDURES UTILIZED;
	)	(2) APPROVING PAYMENT OF REAL
	)	ESTATE COMMISSION; AND
	)	(3) GRANTING RELATED RELIEF;
)	
	)	MEMORANDUM OF POINTS AND
	)	AUTHORITIES AND DECLARATION OF
	)	ROBERT L. GOODRICH IN AND RICHARD
	)	HALDERMAN IN SUPPORT THEREOF
)	
	)	[Property located at: 4457 Falcon Ave., Long
	)	Beach, CA]
)	
	)	<u>Hearing</u>
	)	Date: January 8, 2013
)	Time: 10:00 A.M.
)	Place: Courtroom 301
)	3420 Twelfth Street
)	Riverside, CA 92501

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1 **TO THE HONORABLE MEREDITH A. JURY, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR AND ALL**
3 **INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

4 **I. INTRODUCTION**

5 Robert L. Goodrich, the Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”)
6 of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (“Debtors”), brings this
7 Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain
8 Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f) and Subject to Overbids, Combined With
9 Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2)
10 Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Sale Motion”).

11 The Trustee has received an offer to purchase the real property located at 4457 Falcon
12 Ave., Long Beach, CA (“Property”) for \$335,000.00, subject to overbids. The Property is a single
13 family residence, owned by the Debtors and utilized as a rental property. The Preliminary Title
14 Report on the Property, a true and correct copy of which is attached as **Exhibit 1** to Declaration of
15 Robert L. Goodrich (“Goodrich Declaration”), indicates that the Debtors owe \$127,687.00
16 pursuant to the first deed of trust held by Bank of America N.A. However, a current loan history
17 statement reflects that the Debtors only owe \$97,408.08 to Bank of America. A true and accurate
18 copy of the Bank of America loan history statement is attached as **Exhibit 3** to Goodrich
19 Declaration.

20 The offer is the best offer the Estate has received for the Property. Through the sale, the
21 Trustee is expected to generate proceeds of approximately \$192,238.35 for the benefit of the Estate
22 and its creditors. Further, in the event the purchase price is increased by a successful overbid, the
23 estimated net proceeds will increase and provide greater distribution to creditors.

24 Therefore, the Trustee believes that good cause exists to grant the Sale Motion so the
25 Trustee does not lose this favorable business opportunity.

26 ///

27 ///

28

II. RELEVANT FACTS

A. Case Commencement

The Debtors filed their chapter 7 bankruptcy petition on February 17, 2012. Robert L. Goodrich is the duly appointed, qualified and acting chapter 7 trustee for the Estate of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez.

B. The Property

Among the assets of the Estate is real property located at 4457 Falcon Ave., Long Beach, California. The Property is legally described as follows:¹

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 150 OF TRACT NO. 11820, IN THE CITY OF LONG BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 256, PAGE(S) 23 TO 27 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 100 FEET FROM THE SURFACE OF SAID PROPERTY BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN THE DEED RECORDED NOVEMBER 30, 1943, IN BOOK 20461, PAGE 95, OF OFFICIAL RECORDS.

APN: 7136-034-020

Pursuant to Court order entered on June 18, 2012 (docket number 23), the Trustee was authorized to employ Richard A. Halderman of Lido Pacific Asset Management (the "Broker"), to assist the Trustee in the marketing and sale of the Property.

In the Debtors' original Schedule A, the Property had a listed value of \$100,000.00. The Debtors later amended their Schedule A and increased the value of the Property to \$300,000.00. The Debtors' Schedule D reflects that \$102,000.00 is owed on the Property pursuant to a first deed of trust in favor of Bank of America. As set forth below, the Trustee believes there is equity in the Property for the benefit of the Estate and creditors.

The Trustee's Broker reviewed the Property and believed the Property had a higher fair

¹ The legal description for the Property is believed to be accurate but may be corrected or updated by the title company in the transfer documents as necessary to complete the proposed sale transaction.

market value than the amount listed in the Debtors' Bankruptcy Schedules. The Property was thus listed for the sale price of \$335,000.00. The Property has been listed on the MLS and advertised for sale since September 2012. The Trustee received multiple offers on the Property and the \$335,000.00 offer that is the subject of this Sale Motion represents the highest offer received by the Trustee.

C. Liens and Encumbrances Against the Property and Their Proposed Treatment Through the Sale

The following chart sets forth the liens and encumbrances against the Property as detailed in the Preliminary Title Report, a copy of which is attached as **Exhibit 1** to the Goodrich Declaration and the proposed treatment of the liens and encumbrances through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Treatment of Lien Through the Sale</u>
Los Angeles County Treasurer and Tax Collector	Real property taxes (estimated)	\$1,114.57 ²	All outstanding real property taxes will be paid through escrow on the sale transaction.
Bank of America	First priority deed of trust listed on the Debtor's Schedule D as owing \$102,000.	\$97,408.08	This lien will be paid through escrow on the sale of the Property. Thus, this lien will be released, discharged and terminated at the close of escrow and the Property will be sold free and clear of this lien and the lien will not attach to the sale proceeds.

All costs of sale including escrow fees and real estate commissions will be paid at closing. In addition, all outstanding real property taxes will be paid through the sale.

D. The Purchase Offer and Summary of the Sale Terms

The Trustee has received an offer from Kevin Eddington (the "Buyer") to purchase the Property for \$335,000.00. The purchase price includes a deposit of \$4,000.00. Attached as **Exhibit 2** to the Goodrich Declaration is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and Counter Offers and related addendum (collectively, the "Agreement").

² The Trustee is informed and believes the property taxes are current, as the Debtors paid the first installment

A summary of the Agreement's terms are discussed below, but the summary and discussion are not meant to be a complete review of every provision of the Agreement. The Agreement itself is the legally binding document the Trustee seeks approval of, and in the event of any inconsistency between the terms, provisions or effect of the Agreement and the description of it in these pleadings, the Agreement alone shall govern and not these pleadings or the descriptions herein.

In summary, the principal terms of the sale of the Property shall be as follows (the Trustee is referred to at times as the "Seller" in the following summary):

Buyer:	Kevin Eddington						
Purchase Price:	\$335,000.00 subject to the Bidding Procedures set forth below. \$4,000.00 paid as a deposit, balance of the purchase price to be paid at closing.						
Escrow Holder and Escrow Closing Date:	The escrow holder shall be Ambergate Escrow, Riverside and is scheduled to close fourteen (14) days after Court approval of the sale.						
Escrow, Title and Other Costs	Escrow fees shall be split between Buyer and Seller in the manner customary in the County where the Property is located.						
Bankruptcy Court Approval	The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale.						
Real Estate Agent Commission	Through escrow on the sale of the Property, and subject to Court approval, the Trustee shall pay compensation for real estate agent services to the Estate's agent in the amount of \$20,100.00 (6% of the purchase price) as follows: <table> <tr> <td><u>Agent</u></td><td><u>Commission</u></td></tr> <tr> <td>Trustee's Broker Richard Halderman of Lido Pacific Asset Management</td><td>\$10,050.00</td></tr> <tr> <td>Buyer's Broker First Team Real Estate</td><td>\$10,050.00</td></tr> </table>	<u>Agent</u>	<u>Commission</u>	Trustee's Broker Richard Halderman of Lido Pacific Asset Management	\$10,050.00	Buyer's Broker First Team Real Estate	\$10,050.00
<u>Agent</u>	<u>Commission</u>						
Trustee's Broker Richard Halderman of Lido Pacific Asset Management	\$10,050.00						
Buyer's Broker First Team Real Estate	\$10,050.00						
Purchase Without Warranties	Buyer acknowledges and agrees that the sale of the Property shall be "as-is" and without any warranties whatsoever and the transfer of the Property to the Buyer shall be by a Bankruptcy Trustee's Deed or Quitclaim Deed.						
Sale Subject to Overbidding	The sale of the Property is subject to the Bidding Procedures described below.						
Outstanding Real Property Taxes	To be paid by through escrow.						

Free and Clear of Liens and Encumbrances	The Property shall be delivered to the Buyer free and clear of all liens and encumbrances.
Good Faith Finding	The proposed sale has been brought in good faith and has been negotiated on an “arms length” basis. The negotiations with the Buyer has resulted in an offer to sell the Estate’s interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.
Waiver of Rule 6004(h)	The Trustee requests that the Court waive the fourteen-day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Agreement.

E. Notice of Bidding Procedures

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Property instead of selling the Property to the Buyers on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee also seeks Court approval of the following bidding procedures (“Bidding Procedures”):

1. Potential overbidders must bid an initial amount of at least \$5,000.00 over the Purchase Price, or \$340,000.00. Minimum bid increments thereafter shall be \$1,000.00. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Overbids must be in writing and be received by the Trustee and the Trustee’s counsel, Shulman Hodges & Bastian LLP to the attention of Ryan D. O’Dea on or before **4:00 p.m. (California time) on the date which is three days prior to the hearing on the Sale Motion.**

3. Overbids must be accompanied by certified funds in an amount equal to three percent (3%) of the overbid purchase price.

4. The overbidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such

1 other documentation relevant to the bidder's ability to qualify as the purchaser of Property and
2 ability to close the sale and immediately and unconditionally pay the winning bid purchase price at
3 closing.

4 5. The overbidder must seek to acquire the Property on terms and conditions not less
5 favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the
6 Property as set forth in the Agreement attached as **Exhibit 2** to the Goodrich Declaration including
7 closing on the sale of the Property in the same time parameters as the Buyer.

8 6. All competing bids must acknowledge that the Property is being sold on an "AS IS"
9 basis without warranties of any kind, expressed or implied, being given by the Seller, concerning
10 the condition of the Property or the quality of the title thereto, or any other matters relating to the
11 Property. The competing bid buyer must represent and warrant that he/she is purchasing the
12 Property as a result of their own investigations and are not buying the Property pursuant to any
13 representation made by any broker, agent, accountant, attorney or employee acting at the direction,
14 or on the behalf of the Seller. The competing bidder must acknowledge that he/she has inspected
15 the Property, and upon closing of Escrow governed by the Agreement, the competing buyer
16 forever waives, for himself/herself, their heirs, successors and assigns, all claims against the
17 Debtors, their attorneys, agents and employees, the Debtors' Estate, Robert L. Goodrich as Trustee
18 and individually, and his attorneys, agents and employees, arising or which might otherwise arise
19 in the future concerning the Property.

20 7. If overbids are received, the final bidding round for the Property shall be held at the
21 hearing on the Sale Motion in order to allow all potential bidders the opportunity to overbid and
22 purchase the Property. At the final bidding round, the Trustee or his counsel will, in the exercise
23 of their business judgment and subject to Court approval, accept the bidder who has made the
24 highest and best offer to purchase the Property, consistent with the Bidding Procedures
25 ("Successful Bidder").

26 8. At the hearing on the Sale Motion, the Trustee will seek entry of an order, *inter*
27 *alia*, authorizing and approving the sale of the Property to the Successful Bidder. The hearing on
28 the Sale Motion may be adjourned or rescheduled without notice other than by an announcement

of the adjourned date at the hearing on the Sale Motion.

9. In the event the Successful Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's Deposit and will be released from her obligation to sell the Property to the Successful Bidder and the Trustee may then sell the Property to the first back-up bidder approved by the Court at the hearing on the Sale Motion ("First Back-Up Bidder").

10. In the event First Back-Up Bidder fails to close on the sale of the Property within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's Deposit and will be released from his obligation to sell the Property to the First Back-Up Bidder and the Trustee may then sell the Property to the second back-up bidder approved by the Court at the hearing on the Sale Motion ("Second Back-Up Bidder").

III. LEGAL BASIS FOR THE RELIEF SOUGHT

A. The Court May Authorize the Sale When There is a Good Faith Purchaser

The Trustee, after notice and hearing, may sell property of the estate. Bankruptcy Code Section 363(b). The standards to establish are that there is a sound business purpose for the sale, that the sale is in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is accurate and reasonable notice to creditors and that the sale is made in good faith. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of very few serious bidders where an asset has been marketed and a delay could jeopardize the transaction. *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y. 1990) (extreme difficulty finding a buyer justified merger when buyer found). The Trustee's proposed sale of the Property meets the foregoing criteria.

1. Sound Business Purpose

The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the business purpose for a proposed sale justifies disposition of property of the estate under Section 363(b). *In re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986),

and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the following standard to be applied under Bankruptcy Code Section 363(b):

Whether the proffered business justification is sufficient depends on the case. As the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the assets to the estate as a whole, the amount of lapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasingly or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

Walter, 83 B.R. at 19-20 (quoting *Continental*, 780 F.2d at 1226).

Here, the facts surrounding the sale of the Property support the Trustee's business decision that the proposed sale is in the best interests of the Estate and its creditors. Through the sale, the Trustee expects to generate net proceeds of approximately \$192,238.35 as follows (amounts are estimated):

Sale Price	\$335,000.00
Less real estate commission and costs of sale (6%)	(\$20,100.00)
Less estimated real property taxes ³	(\$1,114.57)
Less estimated federal income tax	(\$13,812.00)
Less estimated state income tax	(\$10,327.00)
Less estimated amounts due Bank of America	(\$97,408.08)
Estimated Net Sale Proceeds for the benefit of the Estate and its creditors.	\$192,238.35

The estimated net proceeds will benefit the Estate by providing funds for distribution to creditors. If the Sale Motion is not approved, then there will be a substantial loss to the Estate. In such event, the Estate will not receive any benefit from the Property.

³ The Trustee believes the real property taxes on the Property are current, as they were paid by the Debtors on March 2012. The amount listed represents the total amount of the second installment of the property taxes owed, however the Trustee anticipates the actual pro rata amount owed for property taxes will be in a lower amount.

Furthermore, the Trustee believes that the proposed sale, subject to overbids, will be at fair market value because it is the best offer the Estate has received thus far for the Property after the inspection date. Given that the sale is subject to overbids, it is anticipated the Trustee will receive the best and highest value for the Property and therefore the proposed sale price of the Property is fair and reasonable.

Therefore, the Trustee respectfully submits that, if this Court applies the “good business reason standard” suggested by the Second Circuit in *Lionel*, the sale should be approved.

2. The Sale Serves the Best Interests of the Estate and Creditors

The Trustee believes that it would be in the best interest of the Estate and its creditors to sell the Property. The benefits to the Estate, as set forth above, are significant as the proposed sale will yield an estimated \$192,238.35 to the Estate. If the Sale Motion is not approved, the Estate will not receive the sale proceeds and will likely lose the Buyer. The Trustee does not want to lose this beneficial business opportunity. Thus, the Trustee has made a business decision that it is in the best interest of the creditors of the Estate that this Sale Motion be approved.

3. Accurate and Reasonable Notice

It is expected that notice of this Sale Motion will satisfy the requirements for accurate and reasonable notice.

The notice requirements for sales are set forth in Federal Rules of Bankruptcy Procedure (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale, the terms and conditions of any private sale, the time fixed for filing on objections and a general description of the property. Federal Rules of Bankruptcy Procedure 2002(c)(1).

In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall provide notice of the proposed sale of the Property and the Bidding Procedures to creditors and parties in interest. The Notice of Sale Motion will include a summary of the terms and conditions of the proposed sale, the time fixed for filing objections, and a general description of the Property, including the Bidding Procedures. The Trustee submits that the notice requirements will have been satisfied, thereby allowing creditors and parties in interest an opportunity to object to the sale. Hence, no further notice should be necessary.

1 4. The Sale is Made in Good Faith

2 The proposed sale has been brought in good faith and has been negotiated on an “arms
3 length” basis. The court, in *Wilde Horse Enterprises*, set forth the factors in considering whether a
4 transaction is in good faith. The court stated:

5 ‘Good faith’ encompasses fair value, and further speaks to the
6 integrity of the transaction. Typical ‘bad faith’ or misconduct,
7 would include collusion between the seller and buyer, or any attempt
8 to take unfair advantage of other potential purchasers. . . . And, with
respect to making such determinations, the court and creditors must
be provided with sufficient information to allow them to take a
position on the proposed sale.

9 *Id.* at 842 (citations omitted).

10 In the present case, the negotiation of the proposed sale was an arms-length transaction.
11 The negotiations with the Buyer resulted in a sale price for the Property that will have substantial
12 benefit to the Estate. As set forth in the Notice of the Sale Motion, the creditors will have been
13 provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should be
14 approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m)
15 at the hearing on this Sale Motion.

16 **B. The Proposed Sale Should be Allowed Free and Clear of Liens**

17 Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate
18 “free and clear of any interest in such property of an entity,” if any one of the following five
19 conditions is met:

- 20 (1) applicable non-bankruptcy law permits a sale of such
property free and clear of such interest;
21 (2) such entity consents;
22 (3) such interest is a lien and the price at which such property is
23 to be sold is greater than the aggregate value of all liens on
such property;
24 (4) such interest is in bona fide dispute; or
25 (5) such entity could be compelled, in a legal or equitable
proceeding, to accept money satisfaction of such interest.

26 11 U.S.C. § 363(f).

27 Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions
28 needs to be satisfied for Court approval to be appropriate.

The sale of the Property is proper pursuant to Section 363(f)(3). The sales price is for a sum that is greater than the aggregate value of the liens which show as attached to the Property pursuant to the preliminary title report which is attached to the Goodrich Declaration as **Exhibit 1**, as well as the current loan amount reflected in **Exhibit 3** attached to the Goodrich Declaration.

Courts have approved sales under Bankruptcy Code Section 363(f) even where the sale price did not exceed the value of the liens asserted on the property so long as the sale is for fair market value. *In re Terrace Gardens Park Partnership*, 96 B.R. 707 (Bankr. W.D. Tex. 1989); *In re Beker Indus. Corp.*, 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986).

Thus, approval for the sale free and clear of liens and encumbrances in the manner provided herein is appropriate.

C. The Court has the Authority to Waive the Fourteen-Day Stay of Sale

Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004 (h).

The Trustee desires to close the sale of the Property as soon as practicable after entry of an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay requirement.

D. The Court has the Authority to Approve the Bidding Procedures

Implementation of the Bidding Procedures is an action outside of the ordinary course of the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code Sections 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

The Ninth Circuit, in a case under the Bankruptcy Act, recognized the power of a bankruptcy court to issue orders determining the terms and conditions for overbids with respect to

1 a sale of estate assets. *In re Crown Corporation*, 679 F.2d 774 (9th Cir. 1982). The *Crown*
2 *Corporation* court entered an order specifying the minimum consideration required for an overbid
3 as well as the particular contractual terms required to be offered by overbidders. *Id.* at 777. The
4 *Crown Corporation* decision also approves an order requiring and setting the amount of potential
5 overbidder's deposits and authorized courts to determine the disposition of such deposits. *Id.*
6 While the discussion is not extensive, the *Crown Corporation* decision recognizes the authority of
7 bankruptcy courts to order the implementation of bidding procedures such as those proposed in the
8 present case.

9 1. [The Overbid Procedures are Untainted by Self-Dealing](#)

10 The Bidding Procedures have been proposed in good faith and have been negotiated on an
11 "arms length" basis. Therefore, there is no prospective taint in dealings between Trustee and any
12 potential bidders.

13 2. [The Overbid Procedures Encourage Bidding and are Fair in Amount](#)

14 The Bidding Procedures are designed to encourage, not hamper bidding and are reasonable
15 under the circumstances. The Bidding Procedures are intended to provide potential overbidders
16 with adequate information to make an informed decision as to the amount of their bid and the
17 validity of their bid.

18 3. [The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of the](#)
19 [Estate](#)

20 The proposed Bidding Procedures serve the Estate in several ways. First, the Bidding
21 Procedures themselves are fair, reasonable and productive; they will permit the Trustee to conduct
22 an orderly sale and obtain the best possible price on the best possible terms for the Property.

23 The Bidding Procedures will ensure that all bids will be comparable. The Trustee will
24 determine which bid is the highest and best for the Estate. The comparability requirement of the
25 Bidding Procedures will make it possible to accomplish this task.

26 The Bidding Procedures will help the Trustee to obtain the highest and best possible price
27 for the Property. The Bidding Procedures institute minimum overbid increments which the Trustee
28

believes are reasonable. Thus, the Trustee will be able to obtain substantial benefit for this Estate from the sale of the Property from competing bids.

The Bidding Procedures require that potential bidders demonstrate their capacity to complete the transaction. It would be a serious loss to the Estate if it surrendered its opportunity to sell the Property to one buyer in favor of a competing bidder only to discover the successful bidder incapable of consummating the transaction. Thus, requiring bidders to qualify as qualified bidders will protect the Estate from such a loss.

Finally, the most important benefit of the Bidding Procedures to the Estate is that their implementation will enable the consummation of the proposed sale. The proposed sale will be the best way to obtain the maximum and most expedient recovery for creditors of this Estate. Implementation of the Bidding Procedures is an essential component of consummating the sale of the Property and maximizing the value of the Property for the Estate and creditors.

The Bidding Procedures proposed by the Trustee are fair and provide for a “level playing field” for all prospective bidders with respect to the Property. The proposed Bidding Procedures establish a reasonable but expeditious timeline for allowing the Trustee to give notice of the proposed sale and qualified bidders to conduct reasonable due diligence and submit competing offers for the Property, thereby potentially generating additional value for the Property. Furthermore, the notice that the Trustee proposes to provide to creditors and parties in interest in connection with the Bidding Procedures and Sale Motion is designed to attract the most interest in the acquisition of the Property and is sufficient under the circumstances of this case. Thus, approval of the Bidding Procedures will serve the best interests of the Estate and its creditors.

E. Request for Payment of Real Estate Commission

Bankruptcy Code Section 327 allows, with court approval, for the trustee to employ professional persons, “that do not hold or represent an interest adverse to the estate, and that are disinterested persons.” 11 U.S.C. § 327(a). By an Order entered on June 18, 2012, the Trustee was authorized to employ the Broker to assist the Trustee in the marketing and sale of the Property.

Bankruptcy Code Section 328 allows employment of a professional person under Section 327 “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a) (emphasis added). Through this Sale Motion, as provided in the Agreement, the Trustee seeks authorization to pay a real estate broker commission in the amount of six percent (6%) of the purchase price. Through escrow on the sale of the Property, and subject to Bankruptcy Court approval, the Trustee shall pay a real estate broker’s commission as follows:

<u>Agent</u>	<u>Commission</u>
Trustee’s Broker Richard Halderman of Lido Pacific Asset Management	\$10,050.00
Buyer’s Broker First Team Realty	\$10,050.00

IV. CONCLUSION

WHEREFORE, based upon the foregoing, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

1. Granting the Sale Motion.
2. Approving the Bidding Procedures set forth above for the sale of the Property.
3. Authorizing the Trustee to sell the Property to the Buyer (or Successful Bidder) pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit 2** to the Goodrich Declaration.
4. Authorizing the sale of the Property free and clear of liens.
5. Authorizing the Trustee to sign any and all documents convenient and necessary in pursuit of the sale as set forth above, including but not limited to any and all conveyances contemplated by the Agreement attached as **Exhibit 2** to the Goodrich Declaration.
6. Approving the payment of the real estate commission in the total amount not to exceed six percent (6%) of the purchase price.
7. Authorizing the Trustee to pay from the proceeds of the sale of the Property through escrow all amounts owing to Bank of America and all real estate/property taxes owed to the Los Angeles County Tax Collector.

8. Finding that the Buyer is a good faith purchaser pursuant to Bankruptcy Code Section 363(m).

9. Waiving the fourteen day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h).

10. For such other and further relief as the Court deems just and proper under the circumstances of this case.

SHULMAN HODGES & BASTIAN LLP

Dated: December 7, 2012

By: /s/ Leonard M. Shulman

Leonard M. Shulman

Lynda T. Bui

Ryan D. O'Dea

Attorneys for Robert L. Goodrich, Francisco

Valenciano Salazar and Gabriella Valenciano

Gutierrez

DECLARATION OF ROBERT L. GOODRICH

I, Robert L. Goodrich, declare:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of In re Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez, Case No. 6:12-bk-14062-MJ (“Debtors”). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code § 363(b)(1) and (f) and Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief (“Sale Motion”). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

3. I have read and I am aware of the contents of the Sale Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Sale Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

4. The Property that is the subject of the Sale Motion is single family residence owned by the Debtors and utilized as a rental property. The Preliminary Title Report on the Property (a true and correct copy of which is attached hereto as **Exhibit 1**) indicates that the Debtor Francisco Valenciano Salazar, was the owner on Petition Date.

5. Pursuant to Court order entered on June 18, 2012 (docket number 23), the Trustee was authorized to employ Richard Halderman of Lido Pacific Asset Management (the “Broker”), to assist me in the marketing and sale of the Property.

6. In their Bankruptcy Schedule A, the Debtors listed the value of the Property at \$100,000.00, which was later amended to reflect a value of \$300,000.00. Further, Debtors’ schedules reflect a lien on the Property in favor of the Bank of America in the amount of \$102,000.00. I am is advised that real property taxes are current to the Los Angeles County Tax

Collector. As such, I believe there is equity in the Property for the benefit of the Estate and creditors.

7. My Broker reviewed the Property and believed the Property had a higher fair market value than the amount listed in the Debtor's Bankruptcy Schedule. The Property was listed for sale at \$335,000.00. The Property has been listed on the MLS and advertised for sale since September 2012. I received multiple offers on the Property, but the \$335,000.00 offer that is the subject of this Sale Motion represents the highest I received.

8. The Sale Motion sets forth the proposed treatment of all the liens and encumbrances against the Property as detailed in Preliminary Title Report, a true and correct copy of which is attached hereto as **Exhibit 1**.

9. The lien in favor of Bank of America is in an amount below that which is stated in the Preliminary Title Report. A true and accurate copy of a loan history statement reflecting \$97,408.00 owed to Bank of America is attached hereto as **Exhibit 3**.

10. Through my Broker, I received an offer from Kevin Eddington (the "Buyer") to purchase the Property for \$335,000.00. The purchase price includes a deposit of \$4,000.00. Attached as **Exhibit 2** to my declaration is a true and correct copy of the Residential Purchase Agreement and Joint Escrow Instructions and Counter Offers and related addendum (collectively, the "Agreement").

11. The Buyer's offer for the purchase of the Property is the best offer the Estate has received. Through the sale, I expect to generate proceeds of \$192,238.35, or more if overbids are received.

12. I am seeking to sell the Estate's interest in the Property free and clear of all liens, claims, and encumbrances and subject to the Bidding Procedures described in the Sale Motion.

13. For the reasons set forth in the Sale Motion and this Declaration, I respectfully request that the Court grant the Sale Motion so that I do not lose this favorable business opportunity to net a substantial amount of money for the Estate.

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1 I declare under penalty of perjury under the laws of the United States of America
2 that the foregoing is true and correct.

3 Executed on November 26, 2012, at Riverside, California.

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6 Robert L. Goodrich
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DECLARATION OF RICHARD HALDERMAN

I, Richard Halderman, declare and state as follows:

1. The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am a real estate salesperson, duly licensed in the State of California and am employed with Lido Pacific Asset Management located at 3857 Birch Street, Suite 480, Newport Beach, California; telephone (714) 664-0115. I make this declaration in support of the Trustee's Motion for Order Approving Sale of Real Property ("Motion") filed by Robert L. Goodrich, the Chapter 7 trustee ("Trustee") for the bankruptcy estate ("Estate") of Francisco Valenciano Salazar and Gabriella Valenciano Gutierrez (collectively, "Debtors").

2. I have read the Motion and am familiar with the real property located at 4457 Falcon Ave., Long Beach, California (the "Property").

3. I have received an offer to purchase the Property for \$335,000.00 from potential buyer, Kevin Eddington. This offer represents the best and highest offer to date and is a fair representative of the market value of the Property.

4. I have been informed and understand that no sale of the Property may be consummated until after the following: (1) notice to creditors with the opportunity for a hearing on the proposed sale, and (2) entry of a Court order approving the sale.

5. I have been informed and understand that the Property is being sold on an "as is – where as" basis with all faults and conditions then existing, and thus understand that: (a) the Trustee is not making any representations, warranties, either express or implied, as to the condition of the Property, uses (prior, present and future), or otherwise; (b) the Trustee shall not provide the buyer with any reports as to the use or condition of the Property; (c) the Trustee shall not provide the buyer with any warranty protection plan with any building permits or plans; and (d) the Trustee is selling the Property solely in her capacity as the Chapter 7 trustee of the Debtors' bankruptcy estate.

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1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed on November 26, 2012 at Newport Beach, California.


4 
5 Richard Halderman

EXHIBIT 1



Fidelity National Title Company

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



BY  President
ATTEST  Secretary

Authorized Signature



Fidelity National Title Company

19000 MacArthur Blvd., Suite 300, Irvine, CA 92612
Phone: (949) 788-2800 • Fax: (949) 341-0251

PRELIMINARY REPORT

Title Officer: **Debbie Tognetti**
Phone: **(949) 788-2825**
Fax: **(949) 341-0251**
Email: **debbie.tognetti@fnf.com**

ORDER NO.: **00019733-997-OC1-DT**

LOAN NO.:

Ambergate Escrow, Inc.
3742 Tibetts Street, Suite 201
Riverside, CA 92506

ATTN: Lisa
YOUR REF:

PROPERTY: **4457 Falcon Avenue, Long Beach, CA**

EFFECTIVE DATE: October 17, 2012 at 7:30 a.m.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Homeowner's Policy (2-3-10)
ALTA Extended Coverage Loan Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

a Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Francisco Valenciano, a single man

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

DT/sp3 November 3, 2012

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 150, OF TRACT NO. 11820, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 256, PAGE(S) 23 TO 27 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 100 FEET FROM THE SURFACE OF SAID PROPERTY BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN THE DEED RECORDED NOVEMBER 30, 1943, IN BOOK 20461, PAGE 95, OF OFFICIAL RECORDS.

APN: **7136-034-020**

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Code Area:	0005500
Tax Identification No.:	7136-034-020
Fiscal Year:	2012-2013
1st Installment:	\$1,114.57 Open
2nd installment:	\$1,114.57 Open
Exemption:	\$0.00
Land:	\$137,547.00
Improvements:	\$34,381.00
Personal Property:	\$0.00

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

Note: If said supplementals (if any) are not posted prior to the date of closing, this company assumes no liability for payment thereof.

3. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

4. Water rights, claims or title to water, whether or not disclosed by the public records.
5. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording No: Book 20461, Page 95, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

EXCEPTIONS
(Continued)

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose: Utility
Recording No.: Book 20447, Page 316, of Official Records
Affects: The Westerly 5 feet of said land

No Representation is made as to the present ownership of said easement

Reference is made to said document for full particulars

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose: Power Lines
Recording No.: Book 20650, Page 99, of Official Records
Affects: The Westerly 5 feet of said land

No Representation is made as to the present ownership of said easement

Reference is made to said document for full particulars

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Purpose: Pole Lines and Conduits
Recording No.: Book 20646, Page 193, of Official Records
Affects: The Westerly 5 feet of said land

No Representation is made as to the present ownership of said easement

Reference is made to said document for full particulars

9. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$125,687.00
Dated: April 9, 1998
Trustor/Grantor: Francisco Valenciano, a single man
Trustee: Countrywide Title Corporation, a California corporation
Beneficiary: Countrywide Home Loans, Inc.
Loan No.: 8559313
Recording Date: April 30, 1998
Recording No.: Instrument No. 1998-724032, of Official Records

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

EXCEPTIONS
(Continued)

10. We find various Liens and Judgments that are of record against persons with similar or the same name as that of the vestee(s) shown herein. In order to complete this report, the Company requires a Statement of Information to be provided for the following vestee(s), which may allow and assist in the elimination of some or all of the said liens and judgments. After review of the requested Statement of Information, the Company reserves the right to add additional items or make further requirements prior to the issuance of any Policy of Title Insurance.

Vestee(s): All Parties

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

11. The Company requires a Statement of Information from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said Land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. After review of the requested Statement(s) of Information, the Company may have additional requirements before the issuance of any policy of title insurance.

Buyer's name(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

12. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

END OF ITEMS

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

NOTES

1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.
2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land, a SINGLE FAMILY DWELLING, known as 4457 Falcon Avenue, Long Beach, California to an Extended Coverage Loan Policy.
4. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
5. Unless this company is in receipt of WRITTEN instructions authorizing a particular policy, Fidelity Title will AUTOMATICALLY issue the American Land Title Association Homeowner's Policy (02/03/10) for all qualifying residential 1-4 properties/transactions to insure the buyer at the close of escrow.
6. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
7. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third party service. If the above requirements cannot be met, please call the Company at the number provided in this report
8. Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee must be clearly set forth in the Beneficiary's Payoff Demand Statement ("Demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows:

The Beneficiary identified above hereby assigns, releases or transfers to the Trustee of record, the sum of \$45.00, included herein as 'Reconveyance Fees', for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the escrow company or title company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Trust Deed to be paid off in full.

In the event that the reconveyance fee and the assignment, release or transfer are not included within the demand statement, then Fidelity National Title Insurance Company and its Underwritten Agent may decline to process the reconveyance and will be forced to return all documentation directly to the Beneficiary for compliance with the requirements of the revised statute.

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

NOTES
(Continued)

9. The RESPA Rule to Simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Cost includes a provision for average charges, allowing settlement service providers to establish an average recording fee. Transactions opening after August 01, 2012; the average recording charge for all residential loan transactions (including refinances) is 63.00 and the charge for all residential sale transactions with a purchase money loan is 82.00. Divide the average between the buyer and seller as per contract or local custom. The average charge is applied regardless of the number of documents recorded in the transaction, the number of pages in each document or the actual recording charges. If your transaction is not a residential loan or sale with a new loan, please contact your title professional for the actual recording charges.
10. Note: Part of the RESPA Rule to simplify and Improve the Process of Obtaining Mortgages and Reduce Consumer Settlement Costs requires the settlement agent to disclose the agent and underwriter split of title premiums, including endorsements as follows:
- Line 1107 is used to record the amount of the total title insurance premium, including endorsements, that is retained by the title agent. Fidelity National Title Company retains 88% of the total premium and endorsements.
- Line 1108 used to record the amount of the total title insurance premium, including endorsements, that is retained by the title underwriter. Fidelity National Title Insurance Company retains 12% of the total premium and endorsements.

PRELIMINARY REPORT
YOUR REFERENCE:

Fidelity National Title Company
ORDER NO.: 00019733-997-OC1-DT

NOTES
(Continued)

WIRING INSTRUCTIONS

WIRING INSTRUCTIONS for Fidelity National Title Company, are as follows:

Receiving Bank:

Citibank, NA
Laguna Hills #694, 24221 Calle De La Louisa
Laguna Hills, CA 92653

ABA Routing Number: 322271724
Account No.: 204331581

Credit Account Name: Fidelity National Title Company

ORDER NUMBERS ARE REQUIRED ON ALL WIRING

PLEASE NOTE: OUR OFFICE DOES NOT ACCEPT ACH TRANSFERS. THESE INSTRUCTIONS ARE FOR THE PURPOSE OF SENDING WIRE TRANSFERS ONLY.

END OF NOTES

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies – We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties – We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

FNTC - Fidelity National Title Company

FNTCCA – Fidelity National Title Company of California

FNF Underwriter

FNTIC - Fidelity National Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

FEE REDUCTION SETTLEMENT PROGRAM (FNTC, FNTCCA and FNTIC)

Eligible customers shall receive \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in The People of the State of California.

DISASTER LOANS (FNTIC)

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is the subject of your current transaction, you must inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provided the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount.

Effective through November 1, 2014

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- land use
- improvements on the land
- land division
- environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date—unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date—this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by

the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
- b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records.
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.d., 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16, and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 15:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 16:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 18:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records a Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under

Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or

- (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth-in-lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

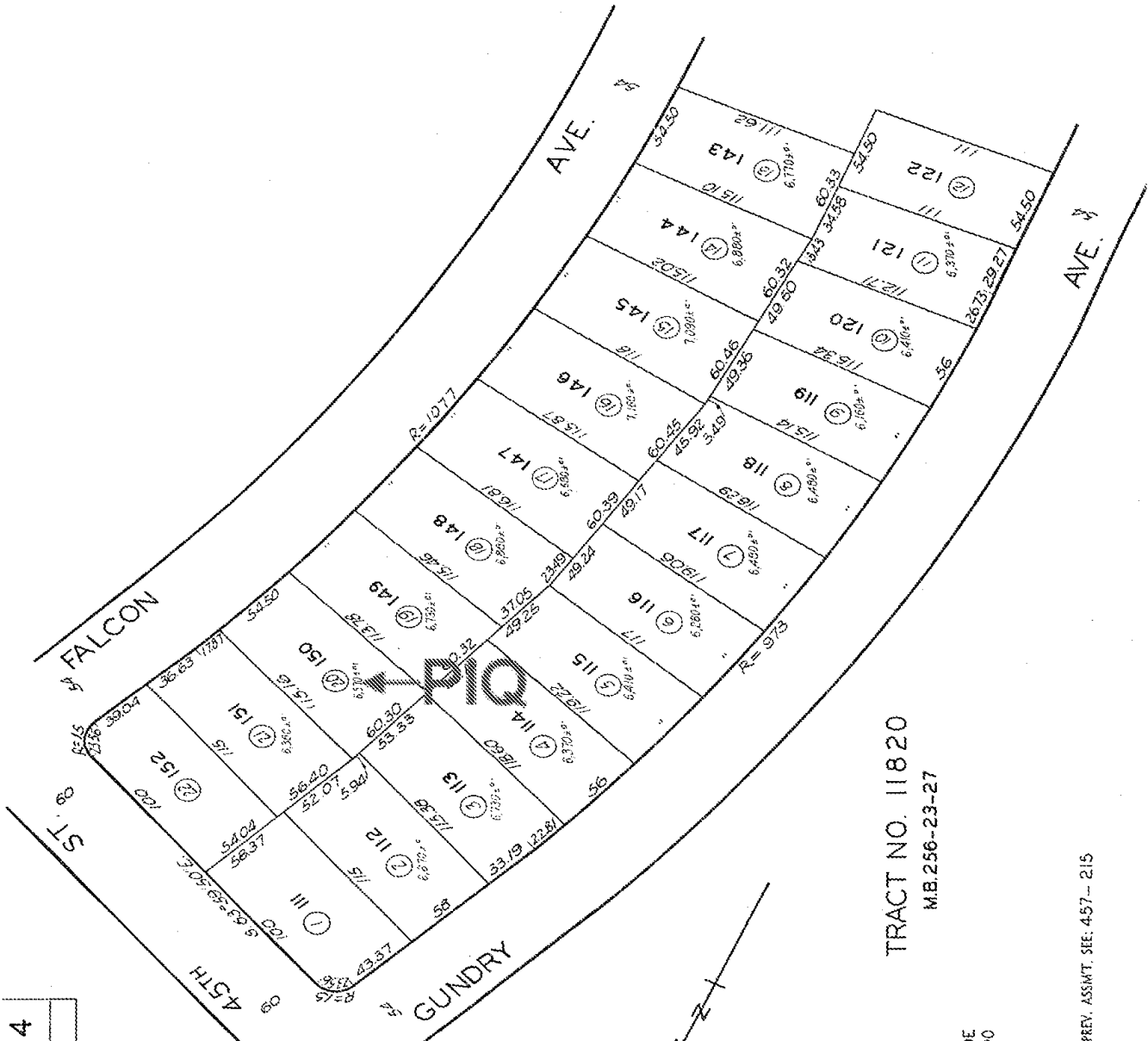
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



Fidelity National Title Company
This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon.

TRACT NO. 11820
M.B. 256-23-27

PREV. ASSMT. SEE: 457-215

EXHIBIT 2



CALIFORNIA
ASSOCIATION
OF REALTORS®

Doc 74 Filed 12/07/12 Entered 12/07/12 15:02:42 Desc
Main Document Page 50 of 67

COUNTER OFFER No. ONE

For use by Seller or Buyer. May be used for Multiple Counter Offer.

(C.A.R. Form CO, Revised 11/10)

In re Salazar/Gutierrez Chapter 7 Bk. #6:12-14062 MJ

Date October 26, 2012

This is a counter offer to the ~~XXX~~ California Residential Purchase Agreement, ☐ Counter Offer, or ☐ Other ("Offer"), dated October 14, 2012 on property known as 4457 Falcon Ave., Long Beach, CA 90807 ("Property"), between Kevin Eddington ("Buyer") and R.L. Goodrich, Chap. 7 Trustee ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 1. Property is being sold in AS IS condition with no expressed/implied warranties.
 2. Sale subject to Bankruptcy Court approval and overbid.
 3. Escrow to be with Ambergate Escrow, Riverside. Title insurance with Fidelity Title.
 4. Seller will provide template report but do no work.
 5. Seller does not accept Page seven, paragraphs 25 & 26.
 6. Buyer to apply and be cross qualified for prospective loan with Coast Funding Group in Yorba Linda.
 7. Buyer has completed his interior inspection and approved interior.
- D. The following attached addendums are incorporated into this Counter Offer: ☐ Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: If this is a Seller Counter Offer, (i) Seller has the right to continue to offer the Property for sale or for another transaction, and to accept any other offer at any time prior to Acceptance, as described in paragraph 3 and (ii) Seller's acceptance of another offer prior to Buyer's Acceptance of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or by Richard Halderman Jr., who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by ☐ _____ (date), at _____ AM/PM. This Counter Offer may be executed in counterparts.

4. ☐ (If checked;) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by ☐ _____ (date), at _____ AM/PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property. NOTE TO SELLER: Sign and date in paragraph 5 to make this Counter Offer.

5. OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. ☒ R.L. Goodrich, Chapter 7 Trustee Date Oct. 31, 2012

6. ACCEPTANCE: I/WE accept the above Counter Offer (If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy. Kevin Eddington Date 11/3/2012 Time 5:40 AM/PM

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
- _____
Date _____ Time _____ AM/PM
- _____
Date _____ Time _____ AM/PM

8. (_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM/PM. A Binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Acceptance has occurred.

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Exhibit 2, Page



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TO- LIDO PACIFIC

P002/002

Date October 26, 2012

This is a counter offer to the ~~xxx~~ California Residential Purchase Agreement, ☐ Counter Offer, or ☐ Other ("Offer"), dated October 14, 2012 on property known as 4457 Falcon Ave., Long Beach, CA 90807 ("Property"), between Kevin Eddington ("Buyer") and R.L. Goodrich, Chap. 7 Trustee ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 1. Property is being sold in AS IS condition with no expressed/implied warranties.
2. Sale subject to Bankruptcy Court approval and overbid.
3. Escrow to be with Ambergate Escrow, Riverside. Title insurance with Fidelity Title.
4. Seller will provide termite report but do no work
5. Seller does not accept Page seven, paragraphs 25 & 26.
6. Buyer to apply and be cross qualified for prospective loan with Coast Funding Group in Yorba Linda.
7. Buyer has completed his interior inspection and approved interior.
- D. The following attached addenda are incorporated into this Counter Offer: ☐ Addendum No. _____

2. **RIGHT TO ACCEPT OTHER OFFERS:** If this is a Seller Counter Offer, (i) Seller has the right to continue to offer the Property for sale or for another transaction, and to accept any other offer at any time prior to Acceptance, as described in paragraph 3 and (ii) Seller's acceptance of another offer prior to Buyer's Acceptance of this Counter Offer, shall revoke this Counter Offer.
3. **EXPIRATION:** This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or by Richard Halderman Jr., who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by ☐ _____ (date), at _____ AM/PM. This Counter Offer may be executed in counterparts.

4. ☐ (If checked:) **MULTIPLE COUNTER OFFER:** Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 PM on the third Day After the later date specified in paragraph 5 or, (if checked) by ☐ _____ (date), at _____ AM/PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property. **NOTE TO SELLER: Sign and date in paragraph 5 to make this Counter Offer.**

5. **OFFER: BUYER OR SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**
R.L. Goodrich, Chapter 7 Trustee Date Oct. 31, 2012

6. **ACCEPTANCE: I/WE** accept the above Counter Offer (If checked ☐ **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy.
Date _____ Time _____ AM/PM
Date _____ Time _____ AM/PM

7. **MULTIPLE COUNTER OFFER SIGNATURE LINE:** By signing below, Seller accepts this Multiple Counter Offer. **NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)**
Date _____ Time _____ AM/PM
Date _____ Time _____ AM/PM

8. **(_____/_____) (Initials) Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Acceptance has occurred.

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Reviewed by _____ Exhibit 2, Page _____



Case 6:12-bk-14062-MJ Doc 74 Filed 12/07/12 Entered 12/07/12 15:02:42 Desc



CALIFORNIA
ASSOCIATION
OF REALTORS®

Page 53 of 67
Main Document
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 4/10)

Date October 14, 2012

1. OFFER:

- A. THIS IS AN OFFER FROM Kevin Le Eddington ("Buyer").
 B. THE REAL PROPERTY TO BE ACQUIRED is described as 4457 Falcon Ave, Long Beach, 90807
 Assessor's Parcel No. 7136-034-020, situated in
Long Beach, County of Los Angeles, California, ("Property").
 C. THE PURCHASE PRICE offered is Three Hundred Thirty-five Thousand (Dollars \$ 335,000.00).
 D. CLOSE OF ESCROW shall occur on _____ (date) (or ☒ 30 Days After Acceptance).

2. AGENCY:

- A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
 B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
 C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 Listing Agent Lido Pacific Asset Mgmt (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
 Selling Agent First Team Real Estate (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☐ the Buyer exclusively; or ☒ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 4,000.00
 (1) Buyer shall deliver deposit directly to Escrow Holder by personal check, ☐ electronic funds transfer, ☐ Other _____ within 3 business days after acceptance (or ☐ Other _____);
 OR (2) (If checked) ☐ Buyer has given the deposit by personal check (or ☐ _____) to the agent submitting the offer (or to ☐ _____), made payable to First Team Real Estate. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or ☐ into Broker's trust account) within 3 business days after Acceptance (or ☐ Other _____).
 B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ 31,000.00 within _____ Days After Acceptance, or ☐ _____.
 If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is deposited.

C. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ _____
 This loan will be conventional financing or, if checked, ☐ FHA, ☐ VA, ☐ Seller (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other _____. This loan shall be at a fixed rate not to exceed 4.000 % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %, Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (2) ☐ SECOND LOAN: in the amount of \$ _____
 This loan will be conventional financing or, if checked, ☐ Seller (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %, Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (3) FHA/VA: For any FHA or VA loan specified above, Buyer has 17 (or ☐ _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or repair. Seller has no obligation to pay for repairs or satisfy lender requirements unless otherwise agreed in writing.

D. ADDITIONAL FINANCING TERMS: _____

- E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT: in the amount of \$ 300,000.00 to be deposited with Escrow Holder within sufficient time to close escrow.
 F. PURCHASE PRICE (TOTAL): \$ 335,000.00

Buyer's Initials (XLE) (_____)Seller's Initials (SLT) (_____)

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RPA-CA REVISED 4/10 (PAGE 1 OF 8)

Reviewed by _____ Date _____

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Agent: Howard Perry

Phone: 562-346-5031

Fax: 562-427-4841

Prepared using zipForm® software

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TO- LIDO PACIFIC Exhibit 2, Page 47/015

Property Address: Long Beach, 90807Date: October 14, 2012

- G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3c(1)) shall, within 7 (or ☐ _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (if checked, ☐ verification attached.)
- H. LOAN TERMS:
- (1) LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, ☐ letter attached.)
- (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) LOAN CONTINGENCY REMOVAL:
- (i) Within 17 (or ☐ _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing remove the loan contingency or cancel this Agreement;
- OR (ii) (if checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.
- (4) ☐ NO LOAN CONTINGENCY (if checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, ☐ if checked, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. ☐ ALL CASH OFFER (if checked): Buyer shall, within 7 (or ☐ _____) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, ☐ verification attached.)
- K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. ALLOCATION OF COSTS (If checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; It does not determine who is to pay for any work recommended or identified in the Report.
- A. INSPECTIONS AND REPORTS:
- (1) ☐ Buyer ☐ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by _____ a registered structural pest control company.
- (2) ☐ Buyer ☐ Seller shall pay to have septic or private sewage disposal systems pumped and inspected _____
- (3) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity _____
- (4) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by _____
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- (6) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____
- B. GOVERNMENT REQUIREMENTS AND RETROFIT:
- (1) ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt.
- (2) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____
- C. ESCROW AND TITLE:
- (1) ☒ Buyer ☒ Seller shall pay escrow fee Each party to pay own fees
Escrow Holder shall be seller choice.
- (2) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12E _____
Owner's title policy to be issued by Sellers Choice
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)
- D. OTHER COSTS:
- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee _____
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee _____
- (3) ☐ Buyer ☐ Seller shall pay Homeowner's Association ("HOA") transfer fee _____
- (4) ☐ Buyer ☐ Seller shall pay HOA document preparation fees _____
- (5) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____
- (6) ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ 350.00 _____, of a one-year home warranty plan, issued by sellers choice _____, with the following optional coverages:
☐ Air Conditioner ☐ Pool/Spa ☐ Code and Permit upgrade ☐ Other: Comprehensive plus plan
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
- (7) ☐ Buyer ☐ Seller shall pay for _____
- (8) ☐ Buyer ☐ Seller shall pay for _____

Buyer's Initials (X K) (_____) (_____)

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RPA-CA REVISED 4/10 (PAGE 2 OF 8)

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Reviewed by _____

Date _____

X Seller's Initials (RLT/ale) (_____) (_____)

Exhibit 2, Page 48

TO- LIDO PACIFIC

0002/0115

Property Address: Long Beach, 90807

Date: October 14, 2012

5. CLOSING AND POSSESSION:

- A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or (☐ _____ ☐ AM ☐ PM), on the date of Close Of Escrow: ☐ on _____; or ☐ no later than _____ Days After Close Of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.

C. Tenant-occupied property:

(i) Property shall be vacant at least 5 (or ☐ _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (if checked) ☐ Tenant to remain in possession. (C.A.R. Form PAA, paragraph 3)

- D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Melto-Ross Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or SSD).

(2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.

(3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.

(4) If any disclosure or notice specified in 6A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

(5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

- B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).

D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.48 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or ☐ _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).

B. If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ☐ _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

8. ITEMS INCLUDED IN AND EXCLUDED FROM PURCHASE PRICE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. ITEMS INCLUDED IN SALE:

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; (If checked ☒ stove(s), ☐ refrigerator(s); and

(3) The following additional items: _____

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property and _____

Buyer's Initials (XKE) (_____)

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Seller's Initials (XKE) (_____)

Reviewed by _____

TO- LIDO PACIFIC



Exhibit 2, Page 49

P007/015

4457 Falcon Ave

Main Document Page 56 of 67

Property Address: Long Beach, 90807

Date: October 14, 2012

9. **CONDITION OF PROPERTY:** Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's Investigation Rights; (ii) the Property, including pool spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.

- A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

10. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(i), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close of Escrow.

11. **SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:**

- A. **Seller Disclosures (if checked):** Seller shall, within the time specified in paragraph 14A, complete and provide Buyer with a:
- | | | |
|--|----|--|
| <input type="checkbox"/> Seller Property Questionnaire (C.A.R. Form SPQ) | OR | <input type="checkbox"/> Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD) |
|--|----|--|
- B. **Addenda (if checked):**
- | | |
|---|---|
| <input checked="" type="checkbox"/> Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Purchase Agreement Addendum (C.A.R. Form PAA) | <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
- C. **Advisories (if checked):**
- | | |
|---|---|
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PAK) | <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| | <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
- D. **Other Terms:** Subject to interior inspection

12. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index. Seller shall within 7 Days After Acceptance give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, survey requirements, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

13. **SALE OF BUYER'S PROPERTY:**

- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

Buyer's Initials (X KE) ()

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Reviewed by _____

Date _____

Exhibit 2, Page 56



C.A.R. REALTOR

4457 Falcon Ave

Property Address: Long Beach, 90807

Date: October 14, 2012

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER HAS: 7 (or ☐) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A, 8 and C, 7A, 9A, 11A and B, and 12. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or ☐) Days After Acceptance, unless otherwise agreed in writing, to:
- (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all other matters affecting the Property; and
 - (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraph 6A.
- (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) Within the time specified in 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 14A, then Buyer has 6 (or ☐) Days After Delivery of any such items, or the time specified in 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
- (4) Continuation of Contingency: Even after the end of the time specified in 14B(1) and before Seller cancels this Agreement, if at all, pursuant to 14C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 14C(1).
- C. SELLER RIGHT TO CANCEL:
- (1) Seller right to Cancel; Buyer Contingencies: If, within time specified in this Agreement, Buyer does not, in writing, Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3H; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 6A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraphs 3B and 25. In such event, Seller shall authorize return of Buyer's deposit.
- (3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or ☐) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 14C(2).
- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections or for inability to obtain financing.
- E. CLOSE OF ESCROW: Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first give the other a demand to close escrow (C.A.R. Form DCE).
- F. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).
15. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
16. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 5 (or ☐) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 9; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are a current lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

Buyer's Initials (XK) ()

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Seller's Initials (RL) ()

Reviewed by _____ Date _____



TO- LIDO PACIFIC Exhibit 2, Page 51 P006/015

Property Address: Long Beach, 90807

Date: October 24, 2012

13. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
14. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
20. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
21. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
22. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "Days" means calendar days. However, After Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 8; OR (ii) if checked, ☐ per the attached addendum (C.A.R. Form RDN).
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other party.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
23. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6C, 11B and D, 12, 13B, 14F, 17, 22, 23, 24, 28, 30, and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 23, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above, in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
 - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐ _____). Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
 - C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 23 and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller Irrevocably assign to Brokers compensation specified in paragraphs 23, respectively, and Irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
 - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

Buyer's Initials (XLS) (_____)

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RPA-CA REVISED 4/10 (PAGE 6 OF 8) Print Date

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Seller's Initials (ALB) (_____)

Reviewed by _____ Date _____



TO- LIDO PACIFIC

Exhibit 2, Page 52

P007/015

4457 Falcon Ave

Main Document Page 59 of 67

Property Address: Long Beach, 90807

Date: October 14, 2012

25. LIQUIDATED DAMAGES: IF Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release Instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF THE INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID).

Buyer's Initials KE / Seller's Initials KE

26. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials KE / Seller's Initials KE

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.

(2) BROKERS: Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

27. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties initial such paragraph(s), a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

28. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.

Buyer's Initials KE /Seller's Initials KE /

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RPA-CA REVISED 4/10 (PAGE 7 OF 8)

Reviewed by _____ Date _____



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TO- LIDO PACIFIC Exhibit 2, Page 53 P011/015

Property Address: 4457 Falcon Ave
Long Beach, 90807Date: October 14, 2012

29. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Howard Perry, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, ☐ AM ☐ PM, on October 16, 2012 (date)).

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Date 08/19/2012

Date

BUYER X

BUYER

Kevin Le Edgington
(Print name)

(Print name)

(Address)

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

30. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts this above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO) DATED: October 26, 2012

SELLER R.L. Goodrich, Chapter 7 Trustee

SELLER

(Print name)

(Print name)

(Address)

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(Initials) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) October 14, 2012 at Long Beach ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement. It is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 2.
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (I) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (II) ☐ (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) First Team Real Estate DRE Lic. # 01008773
By Howard Perry DRE Lic. # 01322395 Date 10/14/12
Address 3900 Kilroy Airport Way #240 City Long Beach State CA Zip 90806
Telephone (562) 346-5000 Fax (562) 427-4841 E-mail howardperry@firstteam.com

Real Estate Broker (Listing Firm) Lido Pacific Asset Mgmt DRE Lic. # 00529557
By Richard Haldexman DRE Lic. # 00529557 Date 10/14/12
Address City State CA Zip 90806
Telephone City Fax City E-mail City

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbered _____, ☐ Seller's Statement of Information and ☐ Other _____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions if any.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____.

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of ☐ Corporations ☐ Insurance ☐ Real Estate. License # _____

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials _____

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials _____

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Reviewed by
Broker or Designee



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CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 4457 Falcon Ave, Long Beach, 90807 ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
- 2. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
- 3. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
- 4. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials (X) KE ()
Seller's Initials (X) 226, 1/1 ()
Reviewed by _____ Date _____



BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Howard Perry

Phone: 562-346-5031

Fax: 562-427-4841

Printed: 12/07/12, Page 55

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5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a copy of this Advisory. Buyer is encouraged to read it carefully.

X Kevin Le Eddington 10/14/12
Buyer Signature Date

Buyer Signature Date

X Paula Pinto 10/31/12
Seller Signature Date

Seller Signature Date

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CALIFORNIA
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WOOD DESTROYING PEST INSPECTION AND
ALLOCATION OF COST ADDENDUM
(C.A.R. Form WPA, Revised 4/10)

This is an addendum to the ☒ California Residential Purchase Agreement or ☐ Other

("Agreement"), dated October 14, 2012

on property known as 4457 Falcon Ave, Long Beach, 90807

between Kevin Le Eddington ("Buyer")
and _____ ("Seller").

1. Unless otherwise specified, the Agreement permits the Buyer to inspect the property and investigate its condition. One of the inspections the Buyer may obtain is for wood destroying pests and organisms "Wood Pest Report". Whether obtained and paid for by Buyer or Seller, Buyer's review and approval of a Wood Pest Report would generally be covered by the inspection contingency of the Agreement. Before Buyer removes or waives the inspection contingency, or other contingency specifically related to a Wood Pest Report, Buyer may cancel the Agreement if dissatisfied with the condition described in the Wood Pest Report, even if this Wood Pest Addendum is not made part of the Agreement.
2. A. The Wood Pest Report shall be paid for and prepared as specified in the Agreement, or if checked, ☐ Buyer ☒ Seller shall pay for a Wood Pest Report prepared by sellers choice, a registered Structural Pest Control company.
- B. The Wood Pest Report shall cover the main building and attached structures and, if checked: ☒ detached garages and carports, ☒ detached decks ☐ the following other structures on the Property: _____. The Wood Pest Report shall not include roof coverings. If the Property is a unit in a condominium or other common interest subdivision, the Wood Pest Report shall include only the separate interest and any exclusive-use areas being transferred, and shall not include common areas. Water tests of shower pans on upper level units may not be performed unless the owners of property below the shower consent.
- C. The Wood Pest Report shall be separated into sections for evident infestation or infection (Section 1) and for conditions likely to lead to infestation or infection (Section 2).
- (1) (Section 1) ☐ Buyer ☒ Seller shall pay for work recommended to correct "Section 1" conditions described in the Wood Pest Report and the cost of inspection, entry and closing of those inaccessible areas where active infestation or infection is discovered.
- (2) (Section 2) ☒ Buyer ☐ Seller shall pay for work recommended to correct "Section 2" conditions described in the Wood Pest Report if requested by Buyer.
- D. If the Wood Pest Report identifies inaccessible areas, and Buyer requests inspection of those inaccessible areas, the person identified in C1 shall pay for the cost of entry, inspection and closing of only those inaccessible areas where Section 1 conditions are discovered and Buyer shall pay for the cost of entry, inspection and closing of all other inaccessible areas.
- E. Seller shall Deliver to Buyer, prior to Close Of Escrow, with a written Pest Control Certification of Completion showing that no infestation or infection is found or that required corrective work is completed. If paragraph 2A does not refer to a specific registered Structural Pest Control company and Seller obtains more than one Wood Pest Report pursuant to this Addendum, Seller may choose which Wood Pest Report to use as the basis of the Certification of Completion provided that Seller Delivers to Buyer all Wood Pest Reports obtained by Seller before Buyer removes any contingency for Wood Pest inspection.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Addendum.

Date 10/14/2012

Buyer X Kevin Le Eddington

(Seller) Re: Bath, Inc.

Buyer _____ Seller _____

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Reviewed by _____ Date _____



WPA REVISED 4/10 (PAGE 1 OF 1)

WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST ADDENDUM (WPA PAGE 1 OF 1)

Agent: Howard Perry
Br: RECEIVED 14-1

DocId: 3465034

Fax: 552.427.4842

Exhibit-2 Page 57

Agent: Howard Perry Phone: 807.346.8034 Fax: 807.377.4841
 RECEIVED 14-10-'12 07:12 FROM TO- LIDO PACIFIC
 Exhibit 2, Page 57
 10/12/2015

EXHIBIT 3

Bank of America**Home Loans**

P.O. Box 5170

Simi Valley, CA 93062-5170

Notice Date: 10/17/2012**Loan No.:** 8559313**Property Address:**4457 FALCON AVENUE
LONG BEACH, CA 90807**IMPORTANT MESSAGE ABOUT YOUR HOME LOAN**

Enclosed is the loan history statement you requested that provides a detailed outline of transactions for the above-referenced loan number. This statement provides a history of information on payments we have received from you, servicing expenses we have paid to third parties, tax and insurance payments paid on your behalf, and any late charges assessed and paid.

THANK YOU

If you have any questions, please call us at 1-800-669-6607, Monday-Friday 7a.m. - 7p.m. Local Time.

We appreciate the opportunity to serve your home loan needs.

This communication is from Bank of America, N.A., the servicer of your home loan.





Home Loans

Loan Number: 8559313
 Statement Period: 01/2012 - 10/2012
 Date Prepared: 10/17/2012

Property Address:
 4457 FALCON AVENUE
 LONG BEACH, CA 90807

Page 4

Transaction Date	Description	Total Payment	PMT/Mo	Principal Balance	Interest	Escrow Balance	Optional	Buydown	Late Charges Total	Unapplied Total
Beginning Balance										
01/05/2012	REGULAR PAYMENT	1,130.85	12/2011	256.07	644.37	186.92	.00	.00	43.49	.00
				99,517.10		875.49			.00	.00
02/08/2012	REGULAR PAYMENT	1,174.34	01/2012	257.73	642.71	186.92	.00	.00	.00	86.98
				99,259.37		1,062.41			.00	86.98
02/10/2012	MISC. POSTING	-86.98	01/2012	.00	.00	.00	.00	.00	.00	-86.98
				99,259.37		1,062.41			.00	.00
03/14/2012	REGULAR PAYMENT	1,087.36	02/2012	259.39	641.05	186.92	.00	.00	.00	.00
				98,999.98		1,249.33			.00	.00
03/14/2012	REGULAR PAYMENT	1,090.24	03/2012	261.07	639.37	189.80	.00	.00	.00	.00
				98,738.91		1,439.13			.00	.00
03/23/2012	COUNTY TAX PMT	-1,070.77	03/2012	.00	.00	-1,070.77	.00	.00	.00	.00
				98,738.91		368.36			.00	.00
05/10/2012	MISC. POSTING	174.34	03/2012	.00	.00	.00	.00	.00	.00	174.34
				98,738.91		368.36			.00	174.34
05/10/2012	MISC. POSTING	1,000.00	03/2012	.00	.00	.00	.00	.00	.00	1,000.00
				98,738.91		368.36			.00	1,174.34
05/14/2012	REGULAR PAYMENT	1,090.24	04/2012	262.75	637.69	189.80	.00	.00	.00	.00
				98,476.16		558.16			.00	1,174.34
05/14/2012	MISC. POSTING	-1,090.24	04/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				98,476.16		558.16			.00	84.10
06/13/2012	MISC. POSTING	1,000.00	04/2012	.00	.00	.00	.00	.00	.00	1,000.00
				98,476.16		558.16			.00	1,094.10
06/13/2012	MISC. POSTING	200.00	04/2012	.00	.00	.00	.00	.00	.00	200.00
				98,476.16		558.16			.00	1,294.10
06/15/2012	REGULAR PAYMENT	1,090.24	05/2012	264.45	635.99	189.80	.00	.00	.00	.00
				98,211.71		747.96			.00	1,294.10
06/15/2012	MISC. POSTING	-1,090.24	05/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				98,211.71		747.96			.00	193.86
06/19/2012	HAZARD INS PMT	-117.00	05/2012	.00	.00	-117.00	.00	.00	.00	.00
				98,211.71		630.96			.00	193.86
07/10/2012	REGULAR PAYMENT	1,090.24	06/2012	266.11	634.29	189.80	.00	.00	.00	.00
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	-1,090.24
				97,945.60		820.76			.00	303.62
07/10/2012	MISC. POSTING	-1,090.24	06/2012	.00	.00	.00	.00	.00	.00	



Transaction Date	Description	Total Payment	PMT/Mo	Principal Balance	Interest	Escrow Balance	Optional	Buydown	Late Charges Total	Unapplied Total
09/13/2012	REGULAR PAYMENT	1,150.00	08/2012	269.80 97,408.08	630.84	189.80 1,200.36	.00	.00	.00 .00	59.76 473.14